is due to the minus expenditure of Rs. 370·19 lakhs under Capital Outlay on State Schemes of Government Trading representing receipts on account of large scale clearance of stock.

309. The entire expenditure met from advances out of the Contingency Fund during the year was recouped in full before the year's accounts were closed and the fund closed with a credit balance of Rs. 30 lakhs. Contingency Fund.

310. There were large incomings under State Provident Funds (11·60 lakhs), Other accounts (61·70 lakhs), Reserve Funds (400·80 lakhs) and other Deposit Accounts (77·22 lakhs) with a large outgoing of (43·86 lakhs) under Savings Bank Deposits. Public Account.

311. The large incoming of Rs. 400·80 lakhs under Reserve Funds is mainly due to the transfer of the balances under Depreciation Reserve Fund Investment Account balances to Cash balance investment account.

(ii) Excise.

312. The Mysore Sugar Company Limited, Bangalore, continued to be the manufacturing contractors for the supply of liquors during the year. Distillery.

313. The rate of molasses arrack of 35° U.P. payable to the Mysore Sugar Company was increased from twelve annas to twelve annas and nine pies per gallon with effect from 1st July 1953. The rate of Rs. 2-7-0 per gallon of special liquor manufactured out of molasses was also increased by one anna per gallon, but there was no change either in the rate of bottling charges or packing charges payable to Mysore Sugar Company, and the rates of the previous year were current during the year.

314. The rates payable to Mysore Sugar Company, Limited, from 1st July 1953 to 30th June 1954 for the liquors supplied by them to Government were :—

(*a*) Molasses Arrack ... Re. 0-12-9 per gallon.

(*b*) Special liquors—

1. Rs. 2-8-0 (Naked) per gallon.
2. Rs. 5-0-0 bottling charges in quart bottles.
3. Rs. 10-0-0 bottling charges in pint bottles.

Packing Charges.

4. Rs. 6-0-0 per case of eight gallons in quart bottles.
5. Rs. 6-0-0 per case of six gallons in pint bottles.

REVENUE AND FINANCE

315. As a result of the formation of the Andhra State, Bellary District was merged with the State, as such the administration of Hospet Distillery, came under the control of the Department with effect from 1st October 1953.

316. Laws were not extended to Bellary during the year and the Madras Laws continued to be in force. This Distillery manufactures only commercial spirits.

Arrack Bonded Depots.

317. There were 18 arrack bonded depots during the year. The arrangements made for the supply of liquors from the Distillery at Mandya to the several depots were the same as in the previous years.

318. The number of shops licensed (arrack and special liquors) for the retail vend of molasses arrack was 106 (105) while that for the sale of bottled liquors was 9 (9).

Consumption.

319. The consumption of arrack of 35° U.P. was 2,11,326 gallons (2,35,678) while that of special liquors supplied in bottles was 9,955 (9,795) gallons.

Incidence of Consumption.

320. The incidence of consumption of country spirits per 100 miles population was 5·68 proof gallons (6·21) computed in respect of the population of only the wet districts of the State.

Rectified Spirit Licenses

321. The licenses issued during the year was 112 (93). Of these, 97 licenses were held by Chemists, Druggists, Charitable Institutions and Industrial Concerns and 15 free licenses were also issued to Hospitals.

322. Two lakhs forty-six thousand seven hundred and seventy-six gallons of rectified spirits including Absolute Alcohol were manufactured during the year in the Mandya Distillery. Of these, 38,195—15 gallons including Absolute Alcohol were issued from the Distillery at Mandya for State consumption and a quantity of 1,193—5 gallons were exported outside the State.

Spirituous Medicinal and Toilet preparations.

323. The normal rate of duty on the spirit contents of medicinal preparations whether manufactured in the State or imported from outside the State continued to be Rs. 5 per proof gallon. But in the case of medicinal preparations of certain things *viz.*, culinary aerated waters and other flavouring essences, extracts, colourings and perfumes and toilet preparations, the rate of duty was Rs. 17-8-0 per proof gallon.

324. The spirituous medicinal preparations imported from outside the States were 6,075·031 proof gallons.

325. The export of spirituous medicinal preparations by the several Bonded Laboratories in the State to outside the State amounted to 18,269·218 proof gallons. Of these, 18,075· 969 proof gallons were subjected to duty while the balance of 193·249 proof gallons were free of duty. Imports. Exports.

326. A quantity of 1,25,434—33 (1,99,396) gallons of denatured spirit was issued out of the Distillery, Mandya. Of these, 1,25,389—33 gallons were issued for local consumption and the rest of 45 gallons were exported outside the State. The rate of license fee continued to be Rs. 2·8-0 per gallon. Denatured Spirit.

327. A quantity of 2,19,213 gallons of molasses arrack and 13,699—5 gallons of special liquors were manufactured during the year. Of these, 2,12,996—18 drams of Molasses Arrack and 9,849 gallons of Special liquors were issued within the State. Indian Made Foreign Liquors.

328. A quantity of 15,805·12 L.P. gallons and 7,471·2 bulk gallons of Indian Made Foreign Liquor was manufactured in the State during the year. Of these 1,240·20 L.P. Gallons and 490 bulk gallons respectively were issued for consumption in the State and a quantity of 847·85 proof gallons and 6,911·2 bulk gallons was exported outside the State.

329. The revenue derived from toddy amounted to Rs. 73,52,609 comprising of shop rentals of Rs. 65,37,090, tree-tax Rs. 7,95,146 and tree-rent Rs. 26,754. Toddy.

330. The number of shops for the sale of date and cocoanut toddy was 568 (567), while those for the sale of Bagani toddy was 6 (6).

331. The consumption of beer amounted to 1,92,010 gallons (1,40,316) during the year. The United Breweries Limited, and the Venus Brewery in Bangalore and the Chamundy Brewery in Mysore continued to manufacture beer. Malt Liquors.

332. The revenue derived from Malt liquors amounted to Rs. 5,50,869 (Rs. 4,24,324), comprising of Rs. 3,21,644 (Rs. 2,04,625) under duty and Rs. 2,29,225 (Rs. 2,19,699) under shop rent.

333. The foreign liquor licences renewed were 73 (72) and out of this, 13 (13) were wholesale, 21 (21) retail off, 7 (7) hotel, 32 (31) ordinary refreshment room (bars) licenses. Foreign Liquors.

REVENUE AND FINANCE

334. The revenue realised under license and gallonage fee was Rs. 3,96,800 (Rs. 2,85,238).

Ganja.

335. There was no cultivation of ganja during the year, but out of 20 acres of land granted for cultivation during the previous year, 11,818 seers of issuable ganja was produced and received in the Provincial Ganja Stores.

336. The rate of duty per seer of 80 tolas charged to the licensees continued to be Rs. 65 during the year.

337. The limit of private possession continued to be two tolas as in the previous year.

338. The consumption of ganja during the year was 5,010 (4,664) seers. The revenue derived from ganja amounted to Rs. 7,84,833 (Rs. 8,96,466) comprising of Rs. 3,41,818 (Rs. 3,22,288) under duty, Rs. 3,53,965 (Rs. 5,27,538) under shop rentals and Rs. 89,050 (Rs. 46,640) under sale of ganja.

Opium.

339. The issue price of opium from the Treasuries to the several licensees in the State continued to be Rs. 175 per seer of 80 tolas as in the previous year.

340. The consumption of opium during the year was 34 (34).

341. The revenue derived from opium was Rs. 2,39,462 (Rs. 3,18,204) comprising of Rs. 1,52,761 (Rs. 2,23,304) under license fee and Rs. 86,701 (Rs. 94,900) under sale of opium.

342. The total number of offences under Excise and Opium Acts was 1,207 (1,446). Of these, 254 (382) cases related to heinous offences, seventy-two (146) to the cutting and removal of date leaves and trees and the remaining 881 (918) to the breaches of license conditions.

Offences.

343. The number of illicit distillation and kindred offences was reduced from 183 to 95 during the year. The largest number of cases reported was 80 (143) in the Bangalore District.

Demand, Collection and Balance.

344. The total demand of the Excise Revenue amounted to Rs. 1,82,72,668 (Rs. 1,98,70,143). Of this, a sum of Rs. 1,63,70,269 (Rs. 1,84,44,484) towards the current demand and Rs. 3,69,623 (Rs. 4,72,485) towards old arrears were collected and a remission of Rs. 3,600 (Rs. 6,404) was sanctioned, thus leaving a balance of Rs. 15,29,136 (Rs. 9,46,771) at the end of the year.